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TRANSCRIPT OF PUBLIC COMMENTS RECEIVED DURING THE  
NATIONAL ANIMAL ID PROGRAM LISTENING SESSION

WEDNESDAY, DECEMBER 15, 2004

WEST TENNESSEE EXPERIMENT STATION

JACKSON, TENNESSEE

9:00 A.M.

IN ATTENDANCE:

BILL HAWKS, UNDER SECRETARY, MARKETING AND REGULATORY PROGRAMS

DR. VALERIE RAGAN, ASSISTANT DEPUTY ADMINISTRATOR

MARK BERLIN, MODERATOR

(The meeting began at 9:03 a.m. and opening comments were made by Mr. Bill Hawks and Dr. Valerie Ragan.)

COMMISSIONER GIVENS: I just want to talk very briefly here, because I don't want to get Gonged. I think most everybody here is old enough to know about the old Gong game when they say your time is up. But let me talk about just one thing here, is that Tennessee is really a very diverse agricultural state, one of the most diverse in the nation. We're small, but we have numerous farms. In fact, we rank number four in the country, with about 87,000 total individual farms. So, Dr. Ragan, for that reason, you know, the education component is really important.

More than half the farm income in Tennessee, just over a billion dollars, is derived from our livestock industry, which includes cattle and calf, dairy, hog, goat, and equine production. We actually rank fourth nationally and first east of the Mississippi River in the number of beef cattle operations we have. Our poultry industry continues to grow and with the number of primary breeding facilities in our state, we have the highest value per bird nationally. Of course, Tennessee ranks second nationally in the number of goats. We actually rank number two in the number of goats in our state, and also we rank number two in the number of equine. We actually bumped those farmers and ranchers in California out from number two and we bumped up to number two in that category, I think, only behind Texas. Actually, our most recent equine survey

identified more than 41,000 premises with horses on the farms and ranches in the state.

But, Dr. Ragan and Secretary Hawks, you all have covered it all. I think particularly when you mentioned earlier, the affordability, flexibility, and confidentiality, the three things that you talk about, I especially hope that we have a very flexible system. I know Emmit Rawls is here, and we're not letting him go anywhere. He does a great job with our beef industry. If they can have the flexibility that this can be more than just an animal identification system, to allow producers to really add value to their animals, that's really gonna be important. But, hey, I can't say anything else except amen. We might even get out early. We've got a lot of cotton and soybeans to harvest, so you guys hang around after the program. Thank you.

(Applause.)

MR. BERLIN: Our first speaker will be Marvin.

MR. SHURLEY: Marvin Shurley. I'm president of the American Meat Goat Association and acting chairman of the United States Goat Council. I'm here today interested in 96,000 goat producers here in the United States. I'd like to thank the USDA, Tennessee Department of Agriculture, Under Secretary Hawks and Dr. Ragan, for holding this 16th in a series of meetings on the proposed National Animal Identification System.

The goats are a real unique livestock species and I think it will probably require more extensive field testing than most other livestock species that I could name. A lot of this is due to variances in management schemes, producer experience. There's a lot of new producers in the business. Differences within the species, and, like I said, again, lots of variances within the industry.

We do appreciate the fact that USDA recognizes this and has allowed for the separation of goats from other livestock species and has permitted the formation of a goat working group to help with identification planning for goats. The goat industry's acceptance of a National Animal Identification System, much like other livestock industries, is gonna be dependent on implementation of a program that's affordable, confidential, producer-friendly, which is something I really need to emphasize, that it's producer-friendly. I was looking at something the other day and American agriculture was the largest segment of the industry in the U.S. when it came to job loss. I believe it was 280,000 jobs lost in American agriculture. You're really gonna need a producer-friendly type system.

And then to quote Mr. John Collier, livestock auctions and other systems are going to have to operate at the speed of commerce, as far as being able to read these tags and get them loaded and all that goes along with it.

I'd like to comment also that I feel it's unfair to us as livestock producers to have forced compliance with the National Identification System. This is

because there has not been disease outbreaks of catastrophic proportions in our domestic livestock herds in decades, not since foot and mouth disease in the '50s. And even those that occurred at that time were no human health hazard.

The NAIS is not a public safety or even a bio-terrorism issue. It is a trade issue being forced upon us by our global trading partners, one which we, the American public and agricultural producers, will bear the cost of. Since it's going to be put in place to placate these non-U.S. interests, though, I look forward to helping the system's development for the American goat industry. Again, thank you for the opportunity to make these comments today.

MR. BERLIN: The next speaker is Annette Cutliff.

MS. CUTLIFF: My name is Annette Cutliff. I'm a member of the Tennessee Cattleman's Association. I have a farm. I raise Angus beef and I also raise Boer goats, which is a meat goat.

I have--I think the program is worthwhile. I think it's important, so that we're not chasing something after-the-fact if a disease does break out. However, my concerns are cost. I think technology is fabulous. It is constantly changing. But my concern is that this is technology driven, that--when this was first mentioned, we were told that the tags would be from 25 cents to 50 cents an animal. You go to conventions now and you go from vendor to vendor, and they're now quoting \$2.50 to \$5.00 per head.

I feel like there's gonna be a lot of people making money off of this rather than for the purpose of identifying animals and keeping up with the diseases. In the book you have out here on the table that was put out by USDA, it says in here, "The decision whether to charge an administrative fee is up to each state." This is another concern. States are gonna look at this as a revenue-making program. It should not matter if you're in California, Texas, Tennessee, Florida. The fee to administrate this should be the same across the board, and it should be as minimal as possible. The farmer has so much expense and so many people are making profit off of their backs that we can't take much more. And those are my concerns. Thank you.

MR. BERLIN: Our next speaker will be Larry Patterson.

MR. PATTERSON: I'm Larry Patterson, the president of the Tennessee Cattleman's Association, and I want to take this opportunity to thank you for coming to Tennessee today and providing us an opportunity to voice our opinions and to hear the progress that's been made on animal identification.

As an organization, we realize that--the importance of being able to identify these animals for purposes of disease control. We just want that process kept as cost-effective and as simple as possible. Due to the large number of producers that Mr. Givens has stated a few moments ago, we have some of those facilities inadequate to handle cattle so that they would have to be identified at marketing points and those kinds of things. We're concerned that our markets

have the ability to do that cost-effectively, without putting any of them out of business.

You did answer my primary question a little while ago about premises. I raise purebred cattle and I have about ten farms, move those cattle constantly from farm to farm. I thought, that's gonna be a nightmare to have to track every animal every day when I move them from farm to farm, so I'm glad to see that there's an idea of combining those operations like that.

Some of the members of our group talk about the fact that we'd like to see maybe Farm Service Agency being one of those points that we can use as an identification of our farms. We have producers that are familiar with that office. They're using the programs and farm ID's are already in place. So the small producers that we have, have familiarity with the Farm Service Agency. That's a concern that some of our producers have expressed.

Again, I thank you for the opportunity to be here. We look forward to supporting the efforts of the government to protect our livestock industry.

MR. BERLIN: The next speaker is Joe Pearson.

MR. PEARSON: Good morning. On behalf of our State Farm Bureau president, Mr. Barker, who was unable to be here, we appreciate you being in Tennessee today. My name is Joe Pearson. I'm the director of the Tennessee Farm Bureau Federation. Our organization is fortunate to have approximately

600,000 family members, many of whom are livestock producers of various types.

Our goal is to work closer with livestock industries across the state, and particularly our Department of Agriculture and State Veterinarian regarding the animal identification issue. However, my comments are based on the policy directed by the grassroots activity of our membership.

Tennessee Farm Bureau is supportive of a successful animal identification program. We also support the position of USDA to promote, educate, and fund initial efforts to work toward a successful animal ID program. The voluntary effort seems to be the logical first step of a difficult issue.

We're very concerned about the financial burden that can be placed on the producer segment of our livestock industry. Keep in mind, producers have no ability to pass on the costs. While rapid tracing substantially benefits the industry in the event of an animal disease outbreak, on a day-to-day basis the consumer also stands to benefit from an animal identification program. It is meant for disease control, yet potentially assists food safety programs and consumer confidence. The goal of a 48-hour traceback will demand improved technology in our existing identification or ownership record of livestock. That time frame adds tremendous cost not necessarily needed for production records.

If consumers, processors or even government requires such an identification system, then the cost must be shared appropriately. An immediate



mandatory program will increase production costs. During the voluntary program, incentives and premiums should be available to attract the identification practices desired by the consumer. Already we are seeing those in the marketing chain of products from livestock we produce placing requirements on production practices which must be accompanied with related incentives, including price, in order to prevent tighter producer margins.

As we increase production costs, we drive production to the scale that environmental and social resistance prevent us from competing with affordable products often produced under unknown practices. Livestock production comprises approximately 50 percent of our agricultural economics in Tennessee where many small producers will be tremendously impacted, along with larger producers, with the cost of implementing a National Animal Identification System.

There are many educational issues that must be addressed, such as, what constitutes a premise within a single operation of multiple farms, rented and/or owned? It would seem FSA records and infrastructure could contribute to the efficiency of development here. What management or production records can be kept as part of an identification system to prevent inefficient duplication of records?

With confidentiality concerns, who should be able to keep which records? We appreciate your agency's efforts in working with our

Congressional members to address this issue, but concerns still exist. We're concerned in the recent trend of radical activists turning to the courts when they are not successful legislatively or bypass the legislative process. Confidentiality cannot be compromised. We must be assured that groups or individuals cannot circumvent the system by going to the courts to obtain confidential information. A provision for recourse of government assistance for an entity using identification data for other than the intended purpose of the collector should be part of efforts to protect proper data issues. Parties should be held accountable for any business interruptions caused by misuse of data.

Additionally, time may be needed to address the confidentiality issue at the state level where appropriate. State regulatory activity differs, but in Tennessee, the high level of industry respect held by the State Veterinarian and his office will encourage producer support. We commend the conservative and calm approach on this issue by our state officials, including our commissioner.

The developmental stage of an identification program should be assisted with government funding. All projects should work toward a system of uniformity. Standards for electronic identification must be accurate to ensure efficient and accurate use in the marketing system. An inefficient system will create marketing costs. This will destroy support for a successful program.

Limited funding at the federal level must be coordinated such that state projects work to complement other funded proposals or serve as a catalyst in expediting a workable national program.

Thank you for the opportunity to share a few of our concerns with you in this brief statement. It is important that Tennessee and nearby producers have the opportunity to address this very important issue. Mr. Hawks and Dr. Ragan, you and your staff have been attentive to our concerns, and we sincerely appreciate it. Thank you.

MR. BERLIN: Our next speaker will be Allen Peddy.

MR. PEDDY: Good morning. My name is Allen Peddy from Chester County. I have tried to be a farmer and a father to the best of my ability in this great state of Tennessee. Commissioner Givens, Under Secretary Hawks, and Dr. Ragan of Veterinary Services have done an excellent job of explaining many of the things that we need to go through and hopefully will go through, but the best thing that I have found to come out of this meeting this morning is the cooperation that we've got in all branches of the government, and UT. That's gonna be the secret to this thing, and the time frame we have is gonna be the thing that's gonna cost us so much.

Let me share with you just a little bit of what's happened to me. 1986, I was in the dairy business, and I had an outbreak of brucellosis in my dairy herd. Twenty-six animals, and the veterinarian said they were as hot as they could be.

I hadn't purchased a cow in 16 years nor a bull. I artificially inseminated those cattle. So I had quite a devastating blow. I'm proud to see we are brucellosis free. That's what we've got to contend with now. Let's not take, from 1986, 18 years to get this thing in place. Remember that. The time frame is of most importance.

So I want to thank each of you for the opportunity to come and express my few comments. Joe Pearson and others covered a lot of it. So what we've got to do is to work with what we've got, and the time frame may not be as long as we think for it. Just remember, last year we were talking about the rust in soybeans. Now we've got nine states in there. I've got all the confidence in the world of the system to meet the challenge. Let's look at this problem as a challenge, an opportunity, not just as a problem. It is that. But we must work together, and thanks be to God we have the cooperation and the technology to do it. Thank you so much.

MR. BERLIN: Thank you, Allen. Our next speaker will be Stephen Worley.

MR. WORLEY: Good morning. I'm a beef backgrounder from Burke County, Tennessee. Secretary Hawks, Dr. Ragan, thank you for coming, and thank you for the work you've done on this. It's obviously a huge undertaking, and I can see it's nowhere near through yet. So hang in there. I came down here expecting to talk about the principles that ought to be involved in setting this up,

and I'll have to say, for the most part you've identified about all of the same principles I did and some I didn't think of, so thank you.

Confidentiality is essential. We've got to have that. Enough flexibility in the systems to have competition between competing ID systems is essential. That will hold down costs better than any bureaucratic solution anybody could ever come up with.

So all I can say is, you've got the right principles. Stick to your guns as this thing goes through the legislative and rulemaking process.

A couple of practical questions did come to my mind. At what point--and this is something that I'm sure you tried to address but I didn't hear it today. At what point would ID actually become required? And the question that I particularly thought of was, what about animals that are born and die on the same premises? Is there any need to ID those? It seems to me to be rather pointless. There might be a reason for it, but something's gonna have to be dealt with at some point.

One principle actually--and I think you implied but never stated it--is that you badly--and this is particularly true for small producers--need a system that does not require a big capital investments for producers. I'm thinking in particular tag readers. If so, another question came up. Is the reporting of the death of an ID'd animal required? Because if it is, in other words, I have an ID'd animal on the farm, maybe a stock or steer, that dies, and I have to report that, I

need to make sure that there is some way to manually read the ID on that animal without going and buying an expensive tag reader, because that's something that may not happen very often, but it will happen, unfortunately, and there needs to be a way to report that inexpensively. And there are other good reasons as well for making sure that there is some way to manually read those ID tags. It wouldn't be efficient for a stock yard, for instance. It would take too long. But there would be a lot of times when you'd need to go look at that tag and get the ID number.

That's the extent of my questions. Thank you for coming to Tennessee. I hope you have a good visit.

MR. BERLIN: Our next speaker will be Luke West.

MR. WEST: Good morning. My name is Luke West and I work for the Tennessee Cattlemen's Association. First of all, I'd like to thank USDA and the Tennessee Department of Agriculture for holding this listening session. I think we've got an excellent turnout. And I'd also like to thank Dr. Ragan for her presentation. The presentation was really valuable to me. I think there are some things that have been answered in the last month or so, since I've really looked hard at animal ID.

Before I start talking about particular items of concern, I want to break those items down into--in Tennessee, we've got three different groups of people that are looking at this. We've got producers. We've got people in the

marketing industry, and then we've got regulatory folks like our State Veterinarian, Dr. Wilson. From a producer's perspective, several things that are important, is, it's gotta be a least cost system. It's gotta be simple to implement, and when I say "simple to implement," I'm thinking about the guys out there with eight cattle. They don't have a working facility. They don't have a chute. They're going to be less likely to put tags in than the larger producers. And I would hope that this can be--that we can work around this so that maybe when they market their cattle, that's when they can be ID'd.

And then the--probably the most important thing from a producer's perspective is confidentiality. People just--they don't want PETA or whoever runs the database or website to see who's got cattle and where they've got the cattle. For the people involved in the cattle marketing industry, there's just a tone of concern. Again, go back to the producer with eight cows. He's pretty unlikely to ID his cattle before. I think, most of the stockyards realize that whether it's mandated that they do it or not or whether they're gonna do it or not, there is going to be a significant number of animals that show up that aren't ID'd, and if it's a mandatory program for them to market the animals, they'll have to be ID'd there.

But this has to be done in a way that will not slow down the market. There's the challenge. Also, with the stockyards, I would like to see a program

that has enough flexibility in it to allow the stockyards to--to identify the animals in the best way, with their--at their operation.

There is a concern over proprietary information, and I think--well, let me just give this as an example. Stephen's a backgrounder, and he's out there competing to purchase feeder cattle, and he may not necessarily want everybody else that's stockbreeding cattle to know where he's purchasing feeder cattle and for how much he's purchasing his feeder cattle. I think it's key that we limit the amount of information that's required in the system to that which is necessary to trace disease outbreaks, while at the same time allowing flexibility to where if there's--if somebody gets a particular marketing scheme they can share information up the chain.

Then, finally, also, the flexibility, and I did like that in your presentation. I saw the word "flexibility" in there, I think, five times, and that was great. I would want to see as much flexibility given to our State Veterinarian as possible, particularly to use FSA and state producers. In Tennessee we have a great relationship with FSA. FSA probably has more contact with producers than anybody else that's here today.

And, just to reiterate, the three key concerns across the industry are cost, flexibility, and confidentiality. And then the other thing is, we've got a lot of producers talking here today and said, you know, I just want to know what to do



so I can start doing it. Let us know what you need and how we need to package it, and we can get going from there. Thank you.

MR. BERLIN: The next speaker is Ronnie Yeargin.

MR. YEARGIN: I'm Ronnie Yeargin. I'm from Lincoln County, Tennessee, and I'm a cattle producer. I appreciate this opportunity to be here. I have enjoyed the comments of Dr. Ragan. They were very good. I probably have--a lot of questions that I have, have been answered by this. I think you're doing a very good job, and maybe the only other question I have would be the ability of these tags to stay in these animals as they go across state lines and through feed lots and those things. We have--on our farm at home we have a lot of problems just keeping an ID tag in for our own use there. So I think this concern should be addressed, as to how to keep these tags in these animals. Thank you very much.

MR. BERLIN: The next speaker is Emmit Rawls.

MR. RAWLS: Good morning. My name is Emmit Rawls. I'm a professor of agricultural economics at the University of Tennessee Extension in livestock markets. The University of Tennessee Extension has been involved in education and programs to inform producers about animal identification for several years.

As USDA proceeds with a plan to develop an animal identification system, I want to call to your attention some unique characteristics of the

livestock business in Tennessee which are similar to many other states, particularly east of the Mississippi.

We have over 50,000 operations with cattle in our state, ranking us fourth in the U.S. One fifth of these operations have nine head or less, and about one half have 20 head or less. We have 41,000 horse owners. We have 34 auction markets. A lot of those use computers in managing their sales data, but all of them do not. Our people are concerned at all levels about the cost of the system and the need for significant federal support to put a system in place. As USDA makes future distribution of grant funds and cooperative agreements for states, those states with large numbers of producers and market operations serve the need to receive their fair share of those funds.

Our small producers are concerned about the cost to have animals tagged if they do not have facilities to do so. Our markets are concerned about the cost of scanning systems to identify animals which come through the market. They're also concerned about changes that will need to be made in their physical facilities to smoothly and quickly process animals which come to market that have no identifying device and to which one must be applied.

These are sure to result in increased data cost to those producers for tags and tagging, but also increased cost to run the sale as it will certainly slow down market operations.

In addition to that, a potential increase in workman's compensation costs as stockyard employees will probably be moving considerably more cattle through a working chute than has previously been the case. Our markets are concerned about the technical expertise it will take to install the new technology and to operate it. As USDA moves ahead with the animal identification system, it needs to make sure that it does not cause a significant shift in economic advantage to large markets and large producers and put small markets and small producers at some economic disadvantage.

Almost everyone knows that there are millions if not billions of dollars at stake from those in the private sector who are waiting to be the chosen technology in the National Animal Identification System. While it seems to get USDA out of making a difficult decision to say it wants the system to be technology neutral, that approach also seems to be slowing down the process. Why not adopt the recommendation of the cattle working group of USAIP and go with an RFID tag?

Simply to say that they plan to leave it up to the private sector to choose a technology will leave potential buyers of systems at risk of perhaps buying a system which may be the result of salesmanship that turns out to be a system that is not best or one that is most likely adopted. Those who have studied the systems and the USAIP are asking USDA to be decisive and move ahead. It also seems prudent to establish a voluntary period and then a mandatory

deadline for implementation as they did in Canada. An animal identification system and traceability will become important factors in international trade now and in the future. While it has taken nearly a year to work out some arrangement for sale of beef to Japan with age verification of animals less than 21 months of age, Canada is very likely in a better position to begin trade with Japan as they have a system in place which can more readily verify the age of their animals.

The market operators in our state indicate their desire that the system be as practical as possible and follow the rule of common sense to the greatest extent possible. Thank you very much.

MR. ROBERTSON: Thank you for this opportunity. I'm Charles Robertson from Lawrence County, Tennessee. Livestock producer, also a pork producer. I have two or three comments to make. Most of the things already have been said or will be said. One of the things that concerns me is having another federal bureaucracy involved in this. I think working with the local FSA office that we already have, which most producers are familiar with and have an ID already assigned to our farms.

The federal government has already spent millions of dollars for the FSA to identify our farms and our crops and most of the livestock producers are familiar with the office. I think they'd be the ones to work with on this.

The other thing is, of course, I am a small producer, and Tennessee has a lot of small producers, so it's a concern with the cost and simplicity of it. We need to work with the state veterinary office in making this work. Thank you.

MR. BERLIN: Bill Ashe.

MR. ASHE: I'm Bill Ashe, purebred breeder and also president of the second largest purebred state association in this state. Thank you for having this meeting. One thing that I would like to point out and hope you keep in mind, due to the complexity of initiating a national ID program, three or four years from now you folks can come back to the drawing board, come to Tennessee, invite these folks back, and find out how it's working. I'm a retired state employee, and I seen a lot of wonderful programs get put in place, and after everybody gets comfortable, the folks that's at the head of it move on to other things, and with the complexity of this program, there are going to need to be some modifications and some adjustments made along the way. Thank you.

(Additional comments were made by Mr. Hawks and Dr. Ragan, and the meeting was adjourned at 11:30 a.m.)